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State of Idaho
Department of Water Resources

APR 13 1998

Department of Water Resource
Southern Region

WATER RIGHT LICENSE
WATER RIGHT NO. 71-07118

Priority: July 6, 1988

Maximum Diversion Rate: 7.00 CFS
Maximum Diversion Volume: 2120.6 AF

This is to certify, that SALMON FALLS SHEEP CO
RT 1 BOX 74

HAGERMAN ID 83332 has complied with the terms and conditions
of the permit, issued pursuant to Application for Permit dated July 6, 1988; and
has submitted Proof of Beneficial Use on October 3, 1989. An examination indicates
that the works have a diversion capacity of 21.270 cfs of water from:

POLE CREEK tributary to SALMON RIVER

source, and a water right has been established as follows:

<u>BENEFICIAL USE</u>	<u>PERIOD OF USE</u>	<u>RATE OF DIVERSION</u>	<u>ANNUAL VOLUME</u>
POWER	05/01 to 09/30	7.00 CFS	2120.6 AF

LOCATION OF POINT(S) OF DIVERSION: NENE , Sec. 25, Township 07N, Range 14E
BLAINE County

PLACE OF USE: POWER

TWN RGE SEC

07N 14E 23

SWNW

CONDITIONS OF APPROVAL AND REMARKS

1. The maximum diversion volume is defined as the maximum allowable volume of water that may be diverted annually from the source under this right. The use of water confirmed by this right is limited to the amount which can actually be beneficially used. The maximum diversion volume may be adjusted to more accurately describe the beneficial use or to implement accepted standards of diversion and use efficiency.
2. This water right is appurtenant to the described place of use.
3. This right is subject to all prior water rights and may be forfeited by five years of non-use.
4. Modifications to or variance from this license shall be made within the limits of Section 42-222, Idaho Code, or the applicable Idaho law.
5. This right does not constitute Idaho Public Utilities Commission or Federal Energy Regulatory Commission approval that may be required.
6. Use of water under this right shall be non-consumptive.
7. Use of water under this approval shall comply with applicable water quality standards of the Division of Environmental Quality of the Idaho Department of Health and Welfare.

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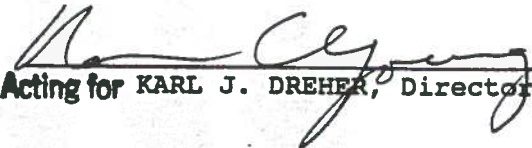
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8. The rights for the use of water confirmed in this license shall be junior and subordinate to all rights for the use of water other than hydropower, within the State of Idaho that are initiated later in time than the priority of this right and shall not give rise to any right or claim against any future rights for the use of water, other than hydropower, within the State of Idaho initiated later in time than the priority of this right.
9. The right holder shall comply with all fish screening requirements of the Idaho Department of Fish and Game.
10. The diversion and use of water for hydropower purposes under this license is subject to review by the Director on or after October 1, 2009. Upon appropriate findings relative to the interest of the public, the Director may cancel all or any part of the use authorized herein and may revise, delete or add conditions under which the right may be exercised.
11. Water may be diverted under this right only when water is being diverted at the same point of diversion under a valid irrigation right(s). The total combined rate of diversion under this right and the irrigation right(s) shall not exceed the maximum diversion rate authorized under the irrigation right(s).

This license is issued pursuant to the provisions of Section 42-219, Idaho Code.
Witness the seal and signature of the Director, affixed at Boise, this 9TH
day of April, 1998.


Acting for KARL J. DREHER, Director